

Minutes
Labor-Management Advisory Council
January 8, 2008
10:00 am, Great Northern Hotel, Helena

Advisory Council members present: Lt. Governor John Bohlinger, Bill Dahlgren, Annette Hoffman, Don Judge, Jason Miller, Danny Lee, Doug Buhman, Bob Worthington, Riley Johnson, Jacquie Helt, Jerry Keck

Project team members present: Diana Ferriter, Wade Wilkison, Jeanne Johns, Dave Elenbaas, Tyler Wiltgen, Sharon Peterson, Connie Ferriter, Mari Kindberg, Jackie Williams, Keith Messmer

Others present: Marvin Jordan, MCCF; Bonnie Lyytinen-Hale, HRC, Inc.; Katherine Dunlap, VMS, Inc.; Tim Fitzpatrick, MSBA; Larry Jones, Liberty Northwest; Gary Lusin, PT Association; Kris Wilkinson, LFO; Peter Strauss, Carl Kochman, Nancy Butler, Dan Gengler, Laurence Hubbard, Pat Haffey, Joan DePasquale, MSF; Mike Taylor, NCCI; Layla Bullington, Altus Healthcare; Glenn Wright, Amy Salle, Corvel; Rae Lynn Nielsen, Katherine Swindle, City of Helena; Tana Wilcox, NorthWestern Energy; Mike Marsh, Midland Claims; Leah Tietz, MUS; Paige Tabor, Lance Zanto, WCMB/DOA; Kathy Jarvis, Micki Marion-Breedlove, Mark Mahnke, PacBlu; Jon Bennion, Montana Chamber; Stephanie Brewer, Ingenix; Georgeanne Paul, Broadspire.

I. Welcoming & Opening Remarks

Lt. Governor John Bohlinger opened the meeting by thanking those in attendance for coming. He thanked the members for their service and announced that NCCI had filed for a 2.9% rate decrease as a result of the Council's efforts related to the fee schedules. He had members of the advisory council and the audience introduce themselves.

II. Approval of Agenda/Minutes

The agenda was approved. The minutes of the November 13, 2007, meeting were approved.

III. Safety Initiative Update

Jerry Keck and Chris Catlett provided an update on the progress that has been made on the safety initiative. Georgiana (George) Kochman was introduced. She has been hired to be the project manager for the initiative. A non-profit entity is being formed to encourage participation and allow for tax deductible donations. Jerry will bring articles and bylaws to the next meeting for consideration. The proposal is that the governing board of the non-profit will provide input on the branding decisions and the prioritization of the safety initiative projects. This input will then come to the Advisory Council for consideration and adoption. Chris outlined the proposed structure and the make-up of the board representation.

There was considerable discussion about the proposed membership of the board resulting in a motion from Don Judge to adopt the proposal as written and include an injured worker on the Board. Bob Worthington proposed a substitute motion to direct Department staff to proceed with development of the non-profit and bring back the articles of incorporation with recommendations for membership. The motion was seconded by Annette Hoffman. The motion failed. The original motion was then voted on and passed.

Bill Dahlgren suggested that the 60 Summits be developed using a similar structure and staffing. Jerry responded that the Department will work towards using a singular structure.

Chris Catlett outlined the work the Department is planning to revise the Occupational Safety and Mine Safety Acts in the next session.

IV. Medical Topics Update

Keith Messmer announced that the nonfacility fee schedule became effective on January 1, 2008 and was available for viewing on the Department web site. Department staff are meeting with representatives of the ambulatory surgery centers on January 9th at 10 a.m. and with hospital association representatives at 1:30 p.m. the same day and with workers' compensation payers on January 10th at 9:00 a.m. These are the kickoff meetings for presenting the analysis of work done

by Ingenix for the Department on facility fees and will be used to gather feedback from the stakeholders. Everyone is welcome to sit in on those meetings.

Sharon Peterson, program officer with the Medical Regulation Unit, gave an overview of the Department's web site that contains the new fee schedule.

Mike Taylor, NCCI, provided an update on the overall medical cost effect of moving to the new nonfacility fee schedule. NCCI's calculations predict that overall medical costs will decrease by \$10.9 million and result in a 2.9 percent rate reduction. The 2.9 percent reduction has been filed with the Insurance Commissioner's Office and has been approved effective February 1, 2008. Mike also commented that two recent Supreme Court cases involving an employee on break and an office picnic could have an impact on rates.

V. Return-to-Work Update

Bonny Lyytinen-Hale, President of Montana Vocational Rehabilitation Counselors and owner of HRC Inc., presented an overview of vocational rehabilitation in the workers' compensation system in Montana. She believes that vocational rehabilitation is underutilized and counselors should be involved in the cases much sooner than they currently are brought on to the case.

Jerry Keck presented an update on the 60 Summits initiative. Preliminary planning has been done to have 60 Summits conducted in Billings, Great Falls and Missoula during the week of April 21 – 25. Dr. Christian has confirmed that these dates will work for her. Department staff have contacted several people about serving on a planning committee for these meetings and Council members and others who are interested may participate as well. The individuals who have been contacted and agreed to participate are: Annette Hoffman, Riley Johnson, Bonnie Lyytinen-Hale, Paige Tabor, Peter Strauss and Bill Dahlgren. George Kochman will be the project manager for this effort.

After some discussion, Don Judge made a motion that the Council approve the Department's proposal to sponsor three Stay-at-Work/Early-Return-to-Work Summits in Montana as a way of participating in the national 60 Summits Project. Bob Worthington seconded the motion. Bob questioned the financial cost of hosting the summits and Jerry responded that it will be around \$25,000. The motion was passed.

VI. Claims Examiner Update

Diana Ferriter presented the licensing proposal that was written by Mike Marsh. The proposal was circulated to Council members at the last meeting and the Council requested that it be discussed at this meeting. After discussion, Jason Miller moved that a subcommittee of the Council be formed to consider the proposal and bring a recommendation back to the Council for consideration. The motion was seconded by Don Judge and passed unanimously. Volunteers to serve on the subcommittee are Don, Riley, Bob, Bill, Annette and Jason. Department staff will help with setting up the meetings.

VII. Workers' Compensation Exemptions Update

Dianna Ferriter presented a memo written by Judy Bovington, staff attorney for the Council, proposing a statutory change that would require those proposing an exemption to future legislative sessions to conduct an analysis of the impact of that exemption. After discussion Don Judge moved for adoption of the proposal, Bill seconded and the motion passed unanimously.

VIII. Introduction of Claims Closures/Settlements Topic

Diana Ferriter gave a presentation on the claims closure/settlement topic that is the last topic that was originally proposed for the Council's work plan. HB738 during the last legislative session proposed to close claims if benefits were not paid within two years following the claim date or two years after the last benefit was paid whichever was later. This part of the bill was removed during the session when the insurers and labor were unable to agree on a method for giving notice to injured workers that the benefits would cease. Closure of claims would eliminate the need for further reserves and could result in rate reductions. Jason Miller suggested that it would be helpful to know how other states provide notice to the claimants. Diana agreed that the Department will research this. Danny Lee questioned whether any states categorize claims by the type of injury when determining the length of time the case is left open. Diana agreed to research this as well. This topic will be on the agenda for the next meeting.

IX. Public Comment

Public comment was taken.

X. Next Steps

Safety Initiative board membership and articles of incorporation	Department staff	Mar-4-2008
Planning 60 Summits	Department staff, others	
Claims examiner licensing proposal and/or recommendation	Advisory Council subcommittee, department staff	Mar-4-2008
Legislative proposal for exemptions	Department legal staff	Mar-4-2008
List of Advisory Council legislative proposals	Department staff	Mar-4-2008
Ask NCCI for pricing of potential savings from closure of claims as being discussed	Department staff	Mar-4-2008
Gather notice provisions from other states	Department staff	Mar-4-2008
Evaluate/report on recent Supreme Court decisions affecting course and scope	Department staff	Mar-2-2008

XI. Next Meeting

Tuesday, March 4, 2008, time and location to be determined.